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BEFORE THE ARIZONA CORPORATION

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IN THE MATTER OF THE APPLICATION OF NORTHERN ARIZONA ENERGY, LLC FOR A CERTIFICATION OF CONVENIENCE AND NECESSITY AUTHORIZING CONSTRUCTION OF A 175 MW NATURAL GAS-FIRED SIMPLE CYCLE GENERATING FACILITY AND ASSOCIATED TRANSMISSION LINE TO THE WESTERN AREA POWER ADMINISTRATION ("WAPA") GRIFFITH SWITCHYARD.

DOCKET NO. L-00000FF-07-0134-00133

NOTICE OF FILING
WITNESS LIST

Submittal ;response to Herbert Guenther letter to A.C.C. for committee review on Better water conservation efforts needed. with attachments.

RESPECTFULLY SUBMITTED this day mailed, july 18- 07

Intervener – Jack Ehrhardt Jack Ehrhardt

4105 N Adams st. Kingman AZ. 86409

9287574202

Original and Twenty-Eight (28) copies
of the foregoing mailed this day,july 18-07

Docket Control
Arizona Corporation Commission
1200 West Washington Street Phoenix Arizona 85007

Arizona Corporation Commission
DOCKETED
JUL 19 2007
DOCKETED BY

Copies of the foregoing mailed july 18 2007 to:

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Jill Ehrhardt
July 18-07

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Intervener Northern Energy Project
D.#,L-00000ff-07-0134-00133

July 9 07

Herbert Guenther, Director
Arizona Department Of Water Resources
3550 N. Central AV. Phoenix AZ. 85012

RE: June 4 07 Letter to A.C.C

Greeting Director.

These must be interesting times to be in your job as the lead person to guide Arizona to a sustainable, water self sufficient future. I sincerely wish you the best. I have to engage with you because of the letter you sent to the A.C.C. in response to theirs regarding the sitting of new Power Plants in Arizona. Your letter was given to me in my position as an intervener in the current line sighting committee hearing of the; Northern Arizona Energy Project, a 175 M.W. gas fired power plant, proposed to be located 9 miles south west of Kingman AZ.

I realize you would not want to engage me in a argument about the specific case before the A.A.C., so I am only requesting we speak directly to your letter and the issues it references. In your letter you state the " WATER CONSERVATION BEST PRACTICES FOR LARGE POWER PLANTS THAT YOU BELIEVE WOULD BE BENEFICIAL IF ENACTED STATE WIDE". All these are good,but are simple basic concepts including the 15 cycles of concentrations for cooling towers. I sincerely need to know why you don't mention.....DRY COOLED .....use has a viable water conservation method for these Power Plants. If I could trouble you to explain why in our drought stricken and has you have said "diminished water supplies frame our on going efforts to provide a sustainable water supply for the next generations who will live here." that DRY COOLED is not a viable recommendation that should come from your office. They are being used in Boulder City Nevada and many other places around the world successfully. It would seem to me that it would be your offices 1st recommendation for water conservation in gas fired power plants. What hurts the most about your not stating this obvious fact of water conservation is that it gives the Gas Fired Industry Corporations and their Attorney Representatives a sense of free license to not even think about using B.A.C.T.,Best-Available-Current –Technology, which dry cooled is.They go on to celebrate that even the Director of The States Water Resources doesn't think we need to use dry cooled. It also hurts us while we work in Mohave County to practice the growing smarter principals and develop policy to support that effort. In the Mohave County –General Plan, page 38, under "water quantities and quality goals and policies", it states, policy3.5

"MOHAVE COUNTY WILL ONLY APPROVE POWER PLANTS USING DRY COOLED TECHNOLOGY WHENTHE AQUIFRER IS THREATENED BY DEPLETION OR SUBSIDENCE." This simple policy can only stand up with unified support from all government agencies. Yours is the lead with water conservation and do you not think it would be appropriate for you to support this county policy? Your State Office is currently in the middle of a Aquifer Adequacy study of this aquifer and it is incomplete at this point. Would it not be appropriate to have the A.C.C. hold off on considering a application for Environmental Compatibility for a water consuming power plant till the study is complete. This seems to make sense doesn't it ?

I would respectfully ask that you reconsider your statements and reply back to me regarding these important Arizona water, " new frontier" issues. For a further understanding of how important it is to speak with water conservation consistency, the applicant came to our town and gave a public comment meeting that was a good show. They said they planned to only use a small amount of new water because they were going to primarily use approximately 3 or 4 cycles of the recycled water from the Griffith Gas Power Plant that this new plant is really an expansion of. This point was made over and over again that they were going to use the recycled water.[Kingman Daily Minor, February 2- 07]. Then in their recent submittal on pumping impacts to the line sitting committee they state, "RAW WATER WILL BE REQUIRED FOR PROCESS WATER SUPPLY". No mention of using recycled water. Their estimates of water use if they ran 7 months would be 268 acre-feet of water. Worst case they state 3,060 ac.ft/yr. This is water that does not need to be given to a company who has not been truthful to the community and has shown no evidence of planning to provide power to Arizona. I believe Government has an obligation to be aware of these issues and protect their communities from these Corporations who are only looking to use as many resources as they can to make as much profit as they can without regard for the communities they take from. Other wise they would voluntarily build their power plant dry cooled. I appreciate your time in responding back to me.

Respectfully submitted
Jack Ehrhardt Jack Ehrhardt

c.c. A.C.C., filing group
Tim Hogan, Center For Law In The Public Interest

Laura Woodall

ARIZONA DEPARTMENT OF WATER RESOURCES
3550 N. Central Avenue, Phoenix, AZ 85012
Telephone 602 771-8426
Fax 602 771-8681

Janet Napolitano
Governor

Herbert R. Guenther
Director

June 4, 1007

The Honorable Kristin K. Mayes
The Honorable William Mundell
The Honorable Mike Gleason
The Honorable Jeff Hatch-Miller
The Honorable Gary Pierce
Arizona Corporation Commission
Commissioners Wing
1200 West Washington Street
Phoenix, AZ 85007-2996

Docket No. L-00000FF-07-0134-00133

Dear Commissioners:

I am writing regarding the Arizona Corporation Commission's role in approving new power plants within the state. Pursuant to A.R.S. § 40-360.03, a person planning to construct a new power plant with a rating of 100 megawatts or more must apply to the Commission for a Certificate of Environmental Compatibility (CEC). Upon receipt of an application for a CEC, the Commission must refer the application to the Power Plant and Transmission Line Siting Committee (Committee) for review and decision. After the Committee issues a decision on the application, the decision goes to the Commission for further consideration.

Under A.R.S. § 45-360.13, if a proposed power plant is within the service area of a city or town in an Active Management Area, the Committee must consider, as a criterion for issuing a CEC, "the availability of groundwater and the impact of the proposed use of groundwater on the management plan established under title 45, chapter 2, article 9 for the active management area." Although the statutes do not expressly mandate similar consideration for power plants in areas of the state outside of Active Management Areas, for the past few years, the Commission has chosen to consider as a criterion for issuing a CEC in any area of the state, the impact of the proposed power plant on the water supplies in the area. I certainly applaud that policy. I would like to also offer the following for your consideration with respect to the siting of new power plants in the state.

As you know, Arizona is experiencing a persistent drought such as we have not seen in hundreds of years. Climate experts suggest this long-term drought may be Arizona's new water reality. Add to this our increasing population growth, and we find ourselves facing a new frontier of sorts here in the Southwest, one where drought and diminished water supplies frame our ongoing efforts to provide a sustainable water supply for the next generations who will live here. As we explore where our future water supplies will come from, we are reminded daily that the best future water supply is the one we don't use today; that is, every gallon of water we save through conservation is one we have for tomorrow.

The Active Management Areas have developed a series of water conservation best practices for large power plants that we believe would be beneficial if enacted statewide. There are six main categories of practices:

- Reusing or recycling water
- Avoiding single-pass cooling unless the water is reused
- Use of low-flow plumbing fixtures
- Use of low water-use landscaping with efficient irrigation systems
- Developing site-specific water conservation plans for large facilities

The major consumptive use of water at large power plants is evaporation of water from cooling towers. Because of the large volume of water used in towers, conservation practices focus on achieving a high level of efficiency in cooling tower operations. The main conservation practice required is the design of new power plants to achieve an annual average of 15 or more cycles of concentration, of cooling tower water.[1]

Partial or total use of effluent in cooling towers is encouraged as an alternative to only using groundwater. The feasibility of this use depends on a number of factors, including the availability of effluent, the volume and timing of water demand at the towers, water quality considerations, etc.

Facilities may apply to use other conservation technologies in place of achieving 15 cycles of concentration if the use of the proposed technologies will result in equal or greater water savings.

I encourage you to consider these best practices for water conservation at large power plants, proven to work in the Active Management Areas, as you deliberate appropriate requirements for new large power plants sited in Arizona.

Sincerely,

Herbert R. Guenther
Director

[1] "Cycles of concentration" achieved in a cooling tower is an indicator of water efficiency. Cooling towers consistently operated at higher cycles of concentration consume less water than towers consistently operated at lower cycles of concentration. Cycles of concentration can be determined by dividing the concentration of a constituent in the blowdown water by the same concentration of the constituent in the make-up water. Total dissolved solids (TDS) content is commonly used for calculating cycles of concentration. For example, if the TDS concentration in blowdown water is 1,500 miligrams per liter (mg/L) and the TDS in the make-up water is 300 mg/L, the tower is operating at 5 cycles of concentration.

You're invited to a public open house

Monday, February 5, 4:00-7:00pm
Black Mountain Elementary School - Gymnasium
3404 N. Santa Maria Road, Golden Valley, 928-565-9111
(One mile north of Sonic, off of Hwy 68)

Come learn about a unique power plant proposed to help meet the region's energy needs. Residents may arrive anytime between 4:00pm and 7:00pm. The format is informal, emphasizing one-on-one exchanges of information so individuals can learn about the Project.

Arroyo Energy

Changed Name To Northern AZ. Energy.

Project Update – February 2007

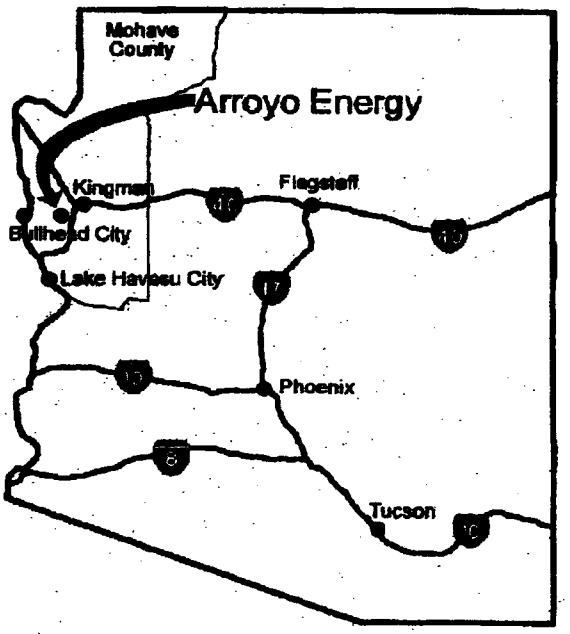
LS Power proposes to build a clean, natural gas-fired power plant to address the growing energy needs of Mohave County and the rest of Arizona.

The proposed project will be comprised of four (4) combustion turbine generators designed to meet summer peak demand. The electric production capability of all four (4) units is 175 MW and is the project site is located just north of the existing Griffith Energy project (600 MW).

The Arroyo Energy project will efficiently use the existing I-40 Industrial Corridor infrastructure for gas, electricity and water.

In addition, the new power generation project will use the water recycling facilities of the Griffith Energy project to minimize water use.

Project Location



Arroyo Energy is located southwest of Kingman, AZ off of I-40 in the Industrial Corridor.

During the development process, the community will have many opportunities to learn about the proposed project and participate in the review process conducted by the Arizona Corporation Commission, its Siting Committee and other agencies – including the Arizona Department of Environmental Quality and the Western Area Power Administration – as they consider granting permits for the construction and operation of Arroyo Energy.

For more information about the Arroyo Energy project, contact David Hicks, Public Affairs, LS Power Generation, 619-498-5389, dhicks@lspower.com.

THE KINGMAN
DAILY MINER
KINGMAN'S ONLY DAILY NEWSPAPER

Power plant expansion eyed

'Peaker' designed to augment output during summer months

By Jennifer Bartlett
Miner Staff Writer

KINGMAN – LS Power has planned a public meeting Monday to exchange information and inform the community of its upcoming Arroyo Energy project.

According to LS Power spokesman David Hicks, the Arroyo Energy project is a "peaker" plant to be added to the existing Griffith Energy project. The project will consist of four combustion turbine generators designed to meet summer peak demand.

The project, located just north of the existing Griffith Energy project, will be able to generate 175 megawatts of energy to augment Griffith's 600 mw. While Griffith does not currently operate at full, about a third of its potential capacity, this addition will help meet growing needs during hot summer months.

"LS Power proposes to build a clean, natural gas-fired power plant to address the growing energy needs of Mohave County and the rest of Arizona," Hicks said.

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February 2, 2007
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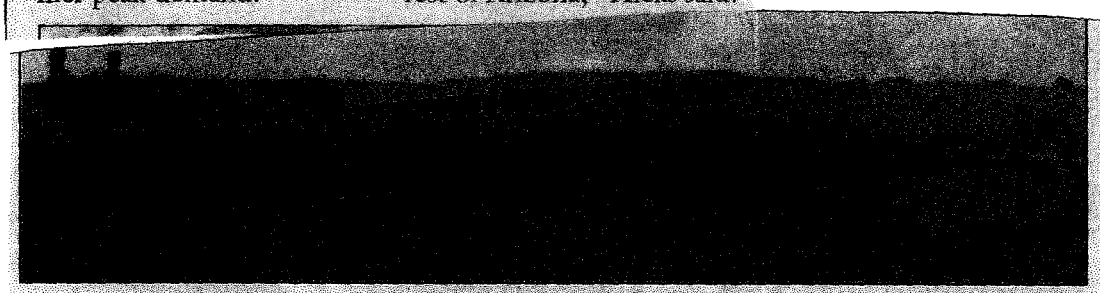

Courtesy

The existing Griffith Energy facility is to the left. At right (lightened in a circle) is a graphic representation of what the Arroyo Energy project will look like when completed. The Arroyo project will assist the Griffith Energy facility during peak season.

Energy needs are growing around the state, he said – 25 megawatts per year in Mohave County alone.

The peaking plant is designed to power up quickly, Hicks said. The four combustion turbines can be up and running within 10 minutes. It will also use the water recycling facilities of the Griffith Energy project to minimize water use.

Griffith Energy uses water in its cooling system, which is then recycled into a treatment plant to be used over and over again until the mineral deposits are too built up for use, Hicks said.

See PLANT, 5A

Plant

Continued from 1A

The water is then transported to an on-site water evaporation pond. The Arroyo Energy project would use the same recycling process and facilities.

Hicks said the project would utilize existing infrastructure and water allotments, as well as minimizing emissions by using clean natural gas and modern control systems. At maximum capacity, the project would utilize approximately 160 acre-feet of water per year. He also said the project requires no additional off-site right-of-way, roadways, transmission lines or pipelines.

The Arroyo project will bring $150 million in new capital investment into Mohave County and will contribute to the development of the Interstate 40 industrial corridor. During the construction process, Hicks said the project would employ, on average, 100 people over a 10-month period. There would be about three or four permanent positions once the facility was up and running.

Hicks said they are currently applying for necessary permits, the most important being the Certificate of Environmental Compatibility, which is granted by the Arizona Corporation Commission. They envision being up and running by the end of 2008 or the beginning of 2009.

LS Power acquired the Griffith Energy project in 2006. The first half, owned by Duke Energy, was acquired in May, while the second half, owned by PPO Corporation was purchased at the end of June, Hicks said.

"During the development process, the community will have many opportunities to learn about the proposed project and participate in the review process conducted by the Arizona Corporation Commission, its sitting committee and other agencies – including the Arizona Department of Environmental Quality and the Western Area Power Administration – as they consider granting permits for the construction and operation of Arroyo Energy," Hicks said.

The public meeting will be held from 4 to 7 p.m. Monday at the Black Mountain Elementary School at 3404 N. Santa Maria Road in Golden Valley.

programming on the air to aid people with vision loss, severe dyslexia and other conditions affecting their ability to read.

Volunteers now speak to service clubs, church groups, low vision support groups and other community groups about vision loss. If your group would like to host a speaker, contact Sharon Tewksbury, outreach coordinator, at (928) 779-1775.

In addition, Sun Sounds is now accessible to residents in Kingman, Cottonwood, Payson and Downtown Prescott. The radio station is broadcast on a sub carrier of KNAU, which means you [illegible] an application for service from the Web site at sunsounds.org.